

Pence Introduces Legislation to Narrow Focus of Federal Reserve

WASHINGTON, DC - U.S. Congressman Mike Pence introduced legislation to limit the mandate of the Federal Reserve so it is only focused on maintaining price stability and preventing inflation.

"The Federal Reserve should focus solely on maintaining price stability and controlling inflation. Unfortunately, the Federal Reserve's decision late last year to engage in a second round of quantitative easing as an attempt to reduce unemployment is an example of the failure of the current policy that mandates the Federal Reserve focus on full employment and inflation.

"While unemployment is a matter of great seriousness to the American people, it is the job of Congress and the President to put forth pro-growth policies on taxes, to rein in government spending and to reduce the regulatory burden in order to create an environment that is friendly to our nation's job creators and that sustains long-term employment. Printing money is no substitute for sound fiscal policy.

"The Fed's full employment mandate has too often led to short-term fixes with long-term inflationary consequences that will not lead to job creation. It's time to return the Fed to the singular mission of protecting the fundamental strength and integrity of the dollar."

Background

Since 1977 the Fed has been forced to develop monetary policy that balances concerns for employment and inflation.